

INCOMING TELEGRAM

Department of State

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FROM: BENGHAZI

TO: Secretary of State

NO: 101, SEPTEMBER 1, NOON

SENT DEPARTMENT 101, REPEATED

JOINT EMBASSY/USOM MESSAGE

REFERENCE: TOICA A-285

Control: 380

Rec'd: SEPTEMBER 1, 1959

10:21 A.M.

J.B. Razi
G.M. Razi 5/6/82
VIR
W.B.

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773. E-MSP/9-159

1. REFERENCE REQUESTS LIBYA TOTAL AID LEVEL \$19 MILLION FY 60 CONSISTING \$7 MILLION PROJECT, 2 MILLION COMMODITY IMPORT WITH L/C USED FOR EXISTING PROJECTS, \$10 MILLION DIRECT GRANT. FOR FY 61 REQUEST \$3 MILLION PROJECT, \$10 MILLION DIRECT GRANT.

2. FOR PRESENTATION PURPOSES ONLY, HAVE ASSUMED \$10 MILLION GRANT EACH YEAR WILL COME FROM OTHER THAN MSP SOURCES. IF THIS NOT POSSIBLE MSP FUNDS MUST BE USED.

3. PROPOSED AID LEVEL BASED ON CERTAIN ASSUMPTIONS AS FOLLOWS:

A. SOME OIL REVENUES WILL BE AVAILABLE GOL IN CY 62 FROM PAYMENTS OR ADVANCES.

B. SIGNIFICANT DLF LOANS WILL BE AVAILABLE WHICH WILL INCLUDE SOME LOCAL CURRENCY COSTS IN FY 60, 61, 62. EMBASSY/USOM THINKING IN TERMS OF MINIMUM OF \$4 MILLION FY 60 TO \$10 MILLION FY 62.

C. GOL MAY ALSO BE ABLE BORROW ELSEWHERE ON STRENGTH OIL PRODUCTION.

4. IF ABOVE ASSUMPTIONS PROVE INVALID PROJECT AID LEVEL SUBJECT SUBSTANTIAL UPWARD REVISION.

5. AID LEVEL AND PROGRAM CONTENT NOT DISCUSSED GOL. DO NOT PLAN TO DISCUSS AID LEVEL UNTIL DISCUSSIONS LIBYAN-AMERICAN BASE AGREEMENT "FINANCIAL ANNEX" CONCLUDED. THEREFORE, AID LEVEL CANNOT BE CONSIDERED FIRM BUT REPRESENTS EMBASSY/USOM THINKING AT MOMENT.

JR

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JONES

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